

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5528-03
Bill No.: HCS for HB Nos. 2045 & 2316
Subject: Pharmacy; Insurance - Health; Drugs and Controlled Substances
Type: Original
Date: March 11, 2016

Bill Summary: This proposal delineates procedures to be used by pharmacy benefits managers with regard to maximum allowable cost lists and requires health carriers to offer medication synchronization services

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Insurance Dedicated	Up to \$65,250	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$65,250	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Department of Mental Health**, the **Department of Social Services**, and the **Department of Transportation** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** estimate up to 3 amendments per licensed company in the non-comprehensive market. At the end of 2015 there were 435 companies writing non-comprehensive plans licensed in Missouri. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$65,250.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the department will need to request additional staff to handle increase in workload.

In response to a previous version of this proposal, officials from the **Department of Health and Senior Services** assumed the proposal would not fiscally impact their agency.

This proposal may increase Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
INSURANCE DEDICATED FUND			
<u>Income - Policy Amendment Fees</u>	<u>Up to \$65,250</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>Up to \$65,250</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may fiscally impact health carrier or health benefit plans.

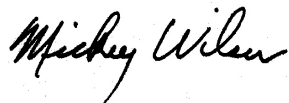
FISCAL DESCRIPTION

The bill requires health carriers or managed care plans offering health benefit plans with prescription drug coverage to offer medication synchronization services that aligns prescription refill dates. Charging more than the normal co-payment is prohibited for quantities less than prescribed.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Consolidated Health Care Plan
Department of Transportation
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Missouri Department of Conservation
Department of Public Safety
Missouri Highway Patrol



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March 11, 2016

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March 11, 2016